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## Week in Headlines

**International**

Pres. Eisenhower & Soviet Premier Khrushchev agreed to exchange visits.

Foreign ministers recessed Geneva conference without settling German & Berlin problems.

India deposed Kerala Red govt.

**United States**

New disarmament study started.

$39,228,239,000 military appropriation passed by Congress.

Senate voted to ease "equal time" rule for news broadcasts involving political candidates.

# WORLD AFFAIRS

## EAST-WEST RELATIONS

### 'Ike,' Khrushchev Visits Set

**Exchange Announced.** Pres. Eisenhower announced Aug. 3 that he & Soviet Premier Khrushchev would exchange visits in the fall.*

The President said at a specially-summoned Washington news conference that Khrushchev had accepted an invitation to visit the U.S. in September and that he (Eisenhower) would go to the USSR before winter. Mr. Eisenhower said he would visit Europe in August for personal talks with British Prime Min. Macmillan, French Pres. de Gaulle & West German Chancellor Adenauer on "problems of mutual interest & the exchange of visits."

Mr. Eisenhower said that he had suggested to the State Dept. the idea of an exchange of visits with Khrushchev in an "effort to melt a little bit of the ice that seems to freeze our relationships . . . with the USSR." The President said he had "initiated," early in July, "the correspondence that finally brought about an agreement" on the visits. A joint U.S.-Soviet statement† read to the press conference by the President said he had issued the initial invitation.

The President emphasized that the visits had "no direct connection with any . . . later summit meeting." Questioned as to his repeated statements that he would require some evidence of Soviet willingness to negotiate before agreeing to meet with Khrushchev, the President said these terms applied to a formal East-West summit conference but not to private talks with Khrushchev, which would be "exploratory rather than any attempt at negotiation."

Mr. Eisenhower made clear that he would not try to represent other Western powers in his talks with Khrushchev. He said his European trip would be devoted partially to sounding out other Western leaders' opinions on the visits, although Macmillan already had expressed his approval of the plan. The President said a possible summit meet still depended on concrete progress by the Geneva foreign ministers' conference.

(Mr. Eisenhower had told his regular news conference July 29 that he had no objection to Vice Pres. Nixon's discussing a possible Khrushchev visit during his tour of the USSR but that Nixon had no authority to issue a formal invitation and that the question would require lengthy study by the U.S.) [See pp. 222A-D2, 173F1, 141B-E2, 97E2, 41C-D3]

**Khrushchev on Visit.** Khrushchev pledged Aug. 5 that there would be "no sabre-rattling" during his trip to the U.S. He said a settlement of the German crisis & a German peace treaty would remain "the question of questions, the problem of problems" in his talks with Pres. Eisenhower.

In an extraordinary Kremlin press conference, his 3d since becoming Soviet premier, Khrushchev made clear his enthusiastic acceptance of Mr. Eisenhower's invitation. He said Soviet leaders were "prepared to do everything within our power to insure that relations between our 2 countries are based on the sound foundations of peace & friendly cooperation." "A betterment of Soviet-American relations will not fail to help improve relations with other countries and scatter the grim clouds in other areas of the world," he said.

Khrushchev told newsmen that the "principal & most important question" for discussion with Mr. Eisenhower would be "that of liquidating the consequences of the 2d World War." Paramount among these were a German peace treaty & the cutting of the "gordian knot" of Berlin. The only feasible solution to these problems, he held, was in the USSR's proposals for (1) a peace treaty negotiated by the "2 German states unless beforehand they are united or have joined together in a federation," and (2) transformation of West Berlin into "a free city with guarantees of non-interference in its internal affairs or in its communications with the rest of the world."

Khrushchev agreed with Mr. Eisenhower's view that their meeting could not substitute for an East-West summit conference. But he refused to "exclude the possibility that the one should lead to the other." He expressed no objection to the President's intended talks with other Western leaders, except with Chancellor Adenauer, who, he said, "cannot be expected to speak with a normal human voice."

Khrushchev asserted that he would not go to the U.S. "with one rocket in one pocket & another rocket in the other. I am prepared to turn out my pockets to show that I am harmless." He said he would reject any suggestion that he visit U.S. missile-launching sites on grounds that Mr. Eisenhower would regard a similar Soviet suggestion as an attempt at intimidation. Khrushchev said "one would be stupid" not to know the U.S. "is strong & rich," but he denied that "Khrushchev's knees will become weak when he sees America's strength."

(While viewing the U.S. airliner that had brought Vice Pres. Nixon to the USSR, Khrushchev had told newsmen at Moscow's Vnukovo Airport Aug. 1 that he would welcome a visit to the U.S. "when the time is ripe." In a speech to Dnepropetrovsk workers July 28 [made public July 29], Khrushchev had called on the Big 4 foreign ministers to end their Geneva talks quickly so that heads of government could begin work on the "difficult questions" of East-West peace. Khrushchev said he had told Nixon that the USSR feared no nation but was apprehensive lest West German "militarists" drag the U.S. into war with the Soviet Union.)

**Reaction.** News of the proposed Eisenhower-Khrushchev visits was greeted warmly by most Western governments and by the Soviet press, which abruptly ended an anti-U.S. campaign. Adenauer expressed the hope Aug. 3 that Khrushchev's U.S. tour would convince him of the U.S.' "power & resolution . . . to safeguard peace & freedom." A French Foreign Ministry communiqué said the Eisenhower-Khrushchev talks would be "useful for peace" if they "respected" Allied "interests."

The visits were indorsed Aug. 3 by Senate Democratic leader Lyndon B. Johnson (Tex.) & Republican leader Everett M. Dirksen (Ill.), who said it was "in line with the President's very personal endeavor in 1953 when he journeyed to Korea." Chrmn. J. W. Fulbright (D., Ark.) of the Senate Foreign Relations Com. supported the move but doubted that "these exchanges will solve all our

* Khrushchev's planned visit to the U.S. would be his 16th to a foreign nation but his first to the U.S. Mr. Eisenhower's trip to the USSR would be his 2d; he had visited Moscow & Leningrad and had met with Stalin in Aug. 1945. Pres. Roosevelt, who attended the Yalta conference in Feb. 1945, was the only U.S. President to visit the USSR while in office. No Russian or Soviet premier or chief of state ever had visited the U.S.

† Released simultaneously Aug. 3 at a Soviet Govt. press conference in Moscow.

**REFERENCES in brackets give location of background information in this & preceding volumes**

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problems with the Soviet Union." Sen. Hubert H. Humphrey (D., Minn.) said the informal exchange "may prove more fruitful . . . than a formal summit meeting."

Opposition was voiced primarily by Republicans. Sen. Homer E. Capehart (Ind.) said the U.S. was "again being taken in by the Russians." Rep. Walter H. Judd (Minn.) said Khrushchev's visit would be "a major advance . . . in his relentless political offensive to soften up the West preparatory to the kill." Sen. Alexander Wiley (Wis.), who had opposed an Eisenhower-Khrushchev exchange Aug. 2, urged Americans to "keep our powder dry" during the Khrushchev visit. House Democratic leader John W. McCormack (Mass.) asserted that "the President made a mistake by inviting him." Sen. Thomas J. Dodd (D., Conn.) termed the invitation "a national disgrace."

9 U.S. state governors who had conferred with Khrushchev during a recent tour of the USSR had urged the President July 31 to exchange visits with Khrushchev. Gov. Le Roy Collins (D., Fla.), spokesman for the group, presented Mr. Eisenhower with a transcript of their conference with Khrushchev and told newsmen an Eisenhower-Khrushchev exchange could do "tremendous good."

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**Geneva Recess.** The Geneva Conference of U.S., British, French & Soviet foreign ministers recessed indefinitely Aug. 5 after failing to reach agreement on terms for settling the German & Berlin problems.

A joint communiqué said the "positions of both sides on certain points became closer" during the conference and that discussions held thus far were "useful for the further negotiations which are necessary . . . to reach an agreement." The statement said results of the talks would be comunicated to the 4 governments concerned and that a resumption of the conference would be "settled through diplomatic channels."

Agreement on the recess was reached by State Secy. Herter & Foreign Min. Gromyko in a private meeting July 29 after both sides had exchanged written statements of minimal conditions for settling the German problem. Herter had pressed for the recess and reportedly had warned Gromyko that he would leave Geneva whether or not the USSR agreed to suspend the talks.

In a concluding statement to the conference, Herter said Aug. 5 that it had succeeded in isolating a number of specific differences which, if reconciled by future negotiations, "should lead to an agreement which will give real hope for a secure position for . . . West Berlin" and for "overcoming the continued division of Germany." Final addresses by British Foreign Secy. Lloyd & Gromyko stressed that the forthcoming Eisenhower-Khrushchev talks could prepare the way for a German settlement. French Foreign Min. Couve de Murville reiterated the Western view that "the German people must have the last word" on any agreement to unify Germany.

At the final conference sessions:

A committee of experts was set up by the 4 foreign ministers July 30 to "examine technical problems" complicating progress toward reconciliation of Western & Soviet terms for a German settlement. The experts committee began a study of 6 points deemed necessary for an accord but adjourned July 31 after failing to agree on the first item: a definition of what would constitute nuclear & missile weapons to be banned from Berlin. The 6 points were discussed by the foreign ministers in a private meeting later July 31, without ending East-West differences.

Herter met with Gromyko privately Aug. 1 in an unsuccessful attempt to win Soviet assurances of Allied rights in West Berlin without the specific 5-year guarantee previously demanded by the West. A similar effort, also unsuccessful, was made by Lloyd in a private meeting with Gromyko Aug. 3. A private meeting of all 4 ministers Aug. 4 failed to bring progress on the Berlin question, but newsmen reported that it had produced tentative agreement to permit a resumption of disarmament negotiations by a revised UN Disarmament Comm. A last private session was held Aug. 5 to prepare the final communiqué. [See p. 238C2]

**A-Ban Talks.** The U.S.-British-Soviet conference in Geneva on a treaty to ban nuclear tests entered its 13th month Aug. 1. Substantial East-West differences were reported to remain.

A special panel of U.S., British & Soviet nuclear experts recommended to the conference July 10 that space satellites be used to detect nuclear detonations above altitudes of 50 km. (31 miles). The panel's recommendations, to be studied by the 3 Govts. before resubmission to the conference for negotiation, urged possible use of any of these 3 detection systems using satellites:

- 5 or 6 satellites orbiting at altitudes above 30,000 km. (18,000 miles), the system preferred by the panel, would provide "complete earth surveillance" and would be "capable of detecting nuclear explosions . . . above the altitude at which radiation [from such explosions] could escape from the atmosphere."
- 6 to 10 satellites orbited at altitudes of 500 to 700 km. (300 to 450 mi.) would "assure complete surveillance of the space around the earth except in limited & predictable regions below an altitude of about 2,000 km. [1,200 mi.]."
- A pattern of 2 to 4 satellites orbited at a lower altitude would provide reliable surveillance except for predictable areas below altitudes of about 10,000 km. (6,200 mi.).

The panel's report recommended the installation of equipment in the organization's ground detection posts to monitor & supplement satellite reports. It would include optical devices for tracing visible light & fluorescence in the upper atmosphere and instruments for measuring the absorption of cosmic radio noise in the ionosphere. [See p. 198E3]

Other conference developments:

Soviet delegate Semyon K. Tsarapkin offered July 16 to drop Soviet demands for a veto on the choice & location of detection posts and routes to be followed by inspecting aircraft on condition that these matters would be regulated by separate agreements between the test ban organization & individual countries concerned. He offered July 17 to drop the demand for a veto on detection personnel & on reconnoitering of suspected test-ban violations on condition that the West agree to a fixed ratio for detection personnel of differing nationalities and on a fixed number of annual detection inspections to be carried out on the territories of each state.

James J. Wadsworth & Sir Michael Wright, respectively U.S. & British delegates, offered July 20 to permit 1/3 of technical staffs at detection posts in the USSR to be Soviet citizens. The Western concession, termed a "conference milestone" by Wadsworth, would divide all detection post staffs as follows: ⅓ Soviet citizens, ⅓ Britons & Americans, ⅓ citizens of other nations. The West insisted, however, that the chief or deputy chief of each control post must be a citizen of the "other side," an American or Briton in the USSR & a Russian in the U.S. and Britain.

Tsarapkin, conceding July 24 that the proposal was the "most realistic" yet made by the West, offered instead to accept a maximum of 10 foreign nationals on control posts located in the USSR. He rejected, however, as "unrealistic, illogical & politically harmful," the West's demand that ⅓ of detection staffs be nationals of other states. Tsarapkin agreed July 28 to permit ⅓ of detection staffs based in the USSR to be Britons & Americans, provided that all other personnel would be Russian and no citizens of non-nuclear nations would be assigned to Soviet sites.

**Other Atomic Developments.** N.Y. Gov. Nelson Rockefeller announced July 8 that he would call for N.Y. legislative approval of measures to require the incorporation of nuclear bomb shelters in all new buildings & homes in N.Y. state and the installation of shielding against radiation in all existing buildings.* The measures were recommended by a report of the N.Y. Governor's Special Task Force on Protection from Radioactive Fallout, endorsed by Rockefeller and made public July 6. The task force study was headed by Chrmn. Oscar M. Ruebhausen of the N.Y.C. Bar Assn.'s Atomic Energy Com. [See p. 260E2-3]

* But N.Y. Lt. Gov. Malcolm Wilson told newsmen July 24 that legislation to require the building of nuclear bomb & radiation shelters was planned only as a "last resort" if civilians failed to provide shelters themselves.

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25 prominent nuclear scientists from the U.S., Britain, USSR & other countries began the 4th private Pugwash Conference on nuclear weapons control & disarmament June 25 in Baden, near Vienna. [See Vol. XVIII, p. 353G3]

The disposal at sea of low-level radioactive wastes from nuclear-powered vessels would not present an "undue hazard to human health," the National Academy of Sciences' Oceanography Com. reported July 13. The report, which envisaged a world nuclear fleet of 300 ships by 1975, said that up to 908,400 curies of such wastes could be dumped safely in deep waters each year. Intensely radioactive reactor materials would require burial ashore. [See Vol. XVIII, p. 220E1]

Radioactive strontium-90 in New York City milk supplies reached a peak of 9.8 micromicrocuries per liter in Oct. 1958 and was expected to reach 11 mmc., Merrill Eisenbud, AEC manager for N.Y., reported July 9. Eisenbud attributed the increase to "USSR [nuclear test] detonations in 1958." The U.S. PHS reported June 12 that strontium-90 in St. Louis milk supplies had risen to 22.5 mmc. per liter during March. [See p. 114F3]

Radioactive iodine-131, produced by nuclear detonations & transmitted to children's thyroid glands via cow's milk, had subjected American children to as much as twice the amount of radiation they received from background sources, Dr. Edward B. Lewis of the California Institute of Technology reported in the June issue of the Proceedings of the Natl. Academy of Sciences. Lewis' report, cited June 21 by the N.Y. Times, said "there is evidence that the thyroid gland of infants & children is especially sensitive to radiation-induced carcinogenesis." [See p. 150F3]

A joint U. of Tennessee-AEC research team reported June 15 that it experimentally had demonstrated the possibility of removing 94% of radioactive strontium from contaminated milk. [See p. 107E1]

# NATIONAL AFFAIRS

## THE PRESIDENT

**Disarmament Study.** The White House announced July 29 that, with Pres. Eisenhower's approval, Boston lawyer Charles A. Coolidge, 54, would head a study of "comprehensive & partial measures of arms control & reduction" for the State & Defense Departments. The announcement indicated that any arms control pact accepted by the U.S. would have to contribute to U.S. "national security objectives." "Preeminent among these objectives," the announcement said, "are reducing the burden of armaments & contributing to the achievement of a just & durable peace." [See p. 222F2; XVIII, 238F2]

**Personnel.** Pres. Eisenhower July 30 nominated Robert D. Murphy, 64, to be State Undersecretary for Political Affairs, the State Department's No. 3 post. Mr. Eisenhower simultaneously nominated Asst. State Secy. (for European Affairs) Livingston T. Merchant, 55, to succeed Murphy as Deputy State Undersecretary for Political Affairs. [See p. 214E3]

The President July 16 nominated Dr. John Harry Williams, 51, Canadian-born director of the Atomic Energy Commission's Research Division, to be an AEC member. Williams, a nuclear physics pioneer, helped develop the atomic bomb and had been a University of Minnesota physics professor 1946-58. [See Vol. XVIII, p. 130E-F1]

Senate confirmations of Presidential appointments: July 15 — A. Lane Dwinell as Assistant State Secretary for Administration; William H. Brett (reappointment) to a new 5-year term as director of the Mint; Ewan Clague (reappointment) to a new 4-year term as Labor Statistics Commissioner. July 23—James Stewart's & Sen. Barry M. Goldwater's promotions from AF Reserve colonel to brigadier general. July 28—Walter N. Walmsley as ambassador to Tunisia.

**Other Presidential News.** Pres. Eisenhower reported July 30 that $803½ million worth of surplus farm products had been disposed of during Jan.-June under the overseas disposal program. He said in his 10th semi-annual report on the program that it had accounted for 27% of all U.S. farm exports during the 5 years it had been in operation. [See p. 36B1; XVIII, 433D-E1]

The President Aug. 4 extended the 186 million-lb. annual rye import quota for 2 more years (until June 30, 1961). This level had been established in 1954. Allocations of 182,280,000 lb. from Canada & the remainder of the quota from all other countries remained in effect. Mr. Eisenhower rejected the Tariff Commission recommendation that the quota be reduced indefinitely to 92,200,000 lb. annually. [See pp. 143G2, 135C2]

Pres. Eisenhower told reporters July 29 that "during this transition period," when the major powers were shifting their military might into missiles, the U.S. had strength that was "fully counterbalancing" Soviet power. He was questioned about testimony (a) by Defense Secy. Neil H. McElroy that the USSR's intercontinental ballistic missiles could hit the U.S. but that Russia had less than 10 of them and (b) by Lt. Gen. Bernard A. Schriever, chief of the Air Research & Development Command, that the U.S. would have combat-ready Atlas ICBMs Sept. 1. Mr. Eisenhower pointed out that "an operational—that is a series C—Atlas" had been fired "very successfully" July 28 (the 2d successful full-distance flight of an Atlas after 5 successive failures). He said the Russians had been working on ICBMs since 1945 whereas "we started in 1954" and had "done an extraordinary job in catching up" so fast. [See pp. 8A-B1, 11A2, 101B3]

Pres. Eisenhower July 28 signed a bill continuing until June 30, 1960 the suspension of tariffs on all scrap metal except lead, zinc & tungsten. The President Aug. 4 signed a bill exempting some naturalized citizens living abroad from legislation that otherwise would deprive them of U.S. citizenship. Those exempted: naturalized Korean war veterans, naturalized parents living abroad with children who are U.S. citizens, any naturalized citizen who lived continuously in the U.S. for 15 years.

The President July 30 proclaimed Oct. 7 as a national day of prayer.

## CONGRESS

**Arms Funds Voted.** A compromise $39,228,239,000 appropriation bill to finance the military establishment in fiscal 1960 was passed Aug. 4 by House voice vote and 85-0 Senate vote and sent to Pres. Eisenhower, who had requested $39,248,200,000. The sum approved was a compromise between a $39,594,339,000 version adopted by 90-0 Senate vote July 14 and a $38,848,339,000 bill passed by 392-3 House vote June 3.

The measure provided $17,472,706,000 for the Air Force, $11,006,503,000 for the Navy, $9,375,805,000 for the Army & $1,373,225,000 for the Defense Secretary's office. It included $35 million to start work on a 2d nuclear-powered aircraft carrier.

The bill required that the National Guard be maintained at a strength of 400,000 instead of being cut to 360,000, as the President had proposed. It provided, for use at the President's discretion, $43 million to increase the strength of the Marine Corps from 175,000 to 200,000 and $54 million to raise the Army Reserves from 270,000 to 300,000. It provided for maintaining the Army at its reduced strength of 870,000, the Air Force at 845,000 & the Navy at 630,000.

The bill appropriated $85 million more than Mr. Eisenhower had requested for Atlas intercontinental ballistic missiles. A proposal by Sen. Stuart Symington (D., Mo.) to add $233,900,000 to the bill to give the Army more modern weapons had been rejected July 13 by a 48-43 Senate vote (29 R. & 19 D. vs. 40 D. & 3 R.).

A $1,225,475,150 military construction authorization for fiscal 1960 was passed July 30 by House voice vote and 85-0 Senate vote and sent to the President, who had requested $1,356,290,000. It was a compromise between a $1,211,480,000 version approved by 89-3 Senate vote (Democrats Symington, Paul H. Douglas of Illinois & Joseph S. Clark of Pennsylvania opposed) June 30 and a $1,252,608,000 bill previously passed by the House.

The bill approved the Defense Department's "master" air-defense plan that would settle disputes between the Army & Air Force over the Nike-Hercules & Bomarc anti-aircraft missiles. It required, starting Jan. 1 1961, that the services submit to the 2 Congressional armed services committees advance information on planes, missiles & ships they planned to buy. [See p. 99G2]

**'Equal Time' Change Voted.** The Senate, by voice vote July 28, passed

and sent to the House a bill (S2424) to exempt radio & TV news shows from the Federal Communications Act requirement (Section 315) that all competing candidates be given "equal time" if any one of them had appeared on a broadcast. The bill would exempt "appearances by any legally qualified candidate on any newscast, news interview, news documentary or on-the-spot coverage of news events." By voice vote, the Senate excluded panel shows from the exemption. [See p. 192C-D2]

CBS July 16 had canceled an invitation to Sen. Hubert H. Humphrey (D., Minn.) to be interviewed on its "Face the Nation" TV program on the ground that he was a Presidential candidate and that Section 315 might force the network to give equal time to anybody else who declared himself a candidate. Humphrey, who denied being a candidate but admitted that he probably would become one, was interviewed July 17 on the NBC TV show "Today." [See p. 226E1]

**Federal Reserve.** A compromise bill (S120) to ease reserve restrictions governing the Federal Reserve System's 6,331 member banks was passed by voice votes of the House July 14 & of the Senate July 15 and signed by Pres. Eisenhower July 28. The measure (a) authorized the Federal Reserve Board to let member banks count cash on hand as part of their reserves; (b) provided for the elimination after 3 years of the "central city reserve bank" category and the reduction of the reserve ceiling for the 306 such large banks in New York, Chicago & other big cities from 26% to 22%.

The House Ways & Means Committee July 8 approved in principle a statement declaring it "the sense of Congress that the Federal Reserve System, while pursuing its primary mission of administering a sound monetary policy, should to the maximum extent consistent therewith utilize such means as will assist in the economical & efficient management of the public debt, and . . . where practicable, should bring about needed future monetary expansion" by buying U.S. "securities of varying maturities."

This statement, proposed by Rep. Henry S. Reuss (D., Wis.), was accepted as an amendment to a bill to let the President ignore—for 2 years—interest ceilings on long-term government bonds. The bill itself was approved by a 10-7 vote of the committee July 8. Backers of the amendment said that by such purchases, the Federal Reserve System could help the Treasury and simultaneously lower long-term bond interest rates without causing an inflationary expansion of money & credit.

FRB Chrmn. William McChesney Martin Jr. opposed the amendment at a closed Ways & Means Committee session July 10. He argued that the amendment's purpose was to force an "easy money" policy on the FRB and that it would be inflationary. House Speaker Sam Rayburn (D., Tex.) retorted in a prepared statement July 23 that "the Federal Reserve authorities . . . consider themselves immune to any direction or suggestion by the Congress." The Ways & Means Committee's 10 Republicans made public July 23 a letter to Rayburn in which they warned that the amendment's "inflationary implications would tend to destroy . . . public confidence."

Treasury Secy. Robert B. Anderson attacked the amendment July 24 before the Joint Economic Committee. He held that it would be more effective to reduce bank reserve requirements than to buy government securities when it was desirable to expand the credit base in a recession. Reuss, in an exchange with Martin at a joint committee session July 27, argued that bond purchases would have the same effect on credit as lower reserve requirements. Martin conceded that this would be so ultimately but insisted that the initial effect of bond buying would be more inflationary. [See pp. 243D3, 191G3-192A1]

## OTHER U.S. NEWS

**ICC 'Influence' Charged.** Minority stockholders charged in a federal court suit filed in Washington Aug. 1 that the ICC had yielded to "undue & improper influence" in refusing to investigate the Alleghany Corp.'s acquisition of control of the N.Y. Central Railroad in 1954. The suit, filed against the ICC's current members, sought a court order requiring the ICC to probe the case.

Stockholders Randolph Phillips & Myron Neisloss of Alleghany and Frank Robert Lowing & Celia Smith Lowing of Central charged in their petition that Dr. Milton S. Eisenhower had accepted air transportation worth more than $5,000 from Alleghany in 1954 and had visited the Palm Beach & Newport homes of the late Robert R. Young, then Alleghany chairman, "during this same period." Dr. Eisenhower's "friendship" for Young "was made known to the President & to persons on the commission or in a position to influence its action, and did influence its determinations" in the case, the petition said.

According to the petition: (a) "the White House, through Mr. Sherman Adams [then assistant to Pres. Eisenhower], made clear to one or more of the commissioners, including then-Commissioner Owen Clarke, that it did not want an investigation of Alleghany"; (b) after the ICC's ruling in Young's favor, Clarke became a $50,000-a-year vice president of the Chesapeake & Ohio Co., controlled by Young; (c) then-Atty. Gen. Herbert Brownell Jr. had issued an "unprecedented opinion that made it possible to remove" ICC Commissioner Charles D. Mahaffie, who had voted to investigate the case; (d) the late Harold E. Talbott, then Air Force Secretary, had backed Young in a stockholders fight, and "in return . . . in 1954 Alleghany purchased 25,000 shares in [Talbott's] Electric Auto-Lite" and "promptly incurred a loss of $80,000"; (e) ex-Sen. Burton K. Wheeler & his son Edward, Alleghany's counsel, had communicated off the record with 4 ICC commissioners, and "these commissioners approved, prior to public adjudication, Young's plans to take control of the N.Y. Central without investigation thereof"; (f) after the decision, Commissioner Robert W. Minor became a $55,000-a-year N.Y. Central vice president.

ICC Chrmn. Kenneth H. Tuggle denounced the suit Aug. 1 as "a tissue of lies." Clarke said there was "no truth" to the charge that the White House, through Adams or otherwise, had tried to prevent a probe of the case. Richard F. Mitchell, ICC chairman during half of 1954, said that Adams, "so far as I know, had nothing to do with the matter" and that "I know nothing about Milton Eisenhower." [See Vol. XVIII, p. 43C1]

**Dixon-Yates Pact Valid.** The U.S. Claims Court, in a 3-2 decision July 15, upheld the legality of the Dixon-Yates contract and ordered the government to pay the private power group $1,867,545 for expenses incurred before the government canceled the contract. The court rejected the government's contention that there was a conflict of interest in the role played by N.Y. investment banker Adolphe W. Wenzell and that this invalidated the deal.

Judge J. Warren Madden held in his majority opinion that Wenzell had "served the Administration faithfully in the tasks assigned to him" and that there seemed "something essentially cynical about the government's Wenzell defense." He pointed out that the Dixon-Yates group had "urged his [Wenzell's] removal" but that the government, which "had the power to remove" him, "did not do so." Judges Don Laramore & Albert Bryan concurred. Chief Judge Marvin Jones of the Claims Court & retired Supreme Court Justice Stanley F. Reed dissented. [See p. 143G3; Vol. XV, 232E1]

**Goldfine Penalty Suspended.** Boston industrialist Bernard Goldfine, 68, was sentenced to one year in jail & fined $1,000 by U.S. Judge James W. Morris in Washington July 24 for contempt of Congress. But Morris suspended both penalties on condition that Goldfine answer the questions of the Special House Subcommittee on Legislative Oversight.

Goldfine had pleaded not guilty Dec. 19, 1958 to contempt in refusing to answer the subcommittee's questions. But he had changed his plea July 16 to no contest.

It was revealed July 18 that Edward Bennett Williams, Goldfine's attorney, had offered to have Goldfine answer the subcommittee's questions if the charges against him were dropped. The offer was made at a secret mid-April meeting in the office of Rep. Oren Harris (D., Ark.), chairman of the subcommittee. Harris & Justice Department officials rejected the offer.

The U.S. Court of Appeals in Boston July 24 unanimously upheld jail sentences of 3 months imposed on

Goldfine & of 10 days imposed on his bookkeeper, Mildred Paperman, for contempt of court in not producing records demanded by the Internal Revenue Service. The appeals court held that the sentences, "if anything, err on the side of moderation." [See Vol. XVIII, p. 417D-F3]

# FOREIGN

## India

**Kerala Govt. Ousted.** Indian Pres. Rajendra Prasad dismissed the Communist-ruled Kerala State Govt. July 31 on grounds that it was unable to govern peaceably & in accordance with the Indian constitution.

A proclamation* signed by Prasad July 30 & made public the next day dismissed Kerala Chief Min. E. M. S. Namboodiripad & his Communist cabinet and placed the state under direct presidential rule through Gov. B. Ramakrishna Rao, appointed Indian representative in Kerala. Legislative power over Kerala was assumed by the Indian Parlt. in New Delhi.

Prasad said in his proclamation that he had acted after Rao had reported Namboodiripad's Govt. was not able to restore order in Kerala and end the passive resistance campaign led by the opposition Congress & Praja Socialist parties. At least 15 persons had been killed in recent Kerala state unrest, begun when Roman Catholic & Hindu Nairs barred state control of their private schools.

(Kerala was the only one of the 14 Indian states to have a Communist regime. The Kerala Govt. reportedly was Asia's only freely-elected Communist regime.) [See Vol. XVIII, p. 90F1]

Prime Min. Nehru told a Congress Party meeting in New Delhi Aug. 1 that the Indian Govt. had intervened in Kerala only after a mass violence situation had developed. He said "central intervention" had been made necessary by opposition plans to begin a "siege" of Kerala Govt. Hq. on Aug. 9. Nehru said even the Kerala Govt. had conceded that it could not deal with further anti-Communist unrest.

Indian CP Secy. Gen. Ajoy Ghosh denied Aug. 1 that the CP was planning any retaliatory action in Kerala or elsewhere, but he said Communists in each state would agitate "on the basis of issues confronting the people of that state." Ghosh had warned July 27 that Communist demonstrations would be held throughout India to protest any move to oust the Kerala Govt.

20 Indian Communists, led by S. A. Dange, CP Parliamentary leader, walked out of the Indian Parlt. in New Delhi Aug. 3 after Home Min. G. B. Pant refused to make public documents relevant to the Kerala Govt.'s ouster.

**Trade.** Indian & Pakistani trade officials announced agreement July 28 in New Delhi on plans for increasing exchanges of essential commodities. India would ship Pakistan 100,000 tons of coal above the 1,280,000 tons provided by current agreements and 50,000 tons of cement. India agreed to increase its imports of Pakistani jute, down from 4,100,000 bales in 1949, to 752,000 in 1957. [See pp. 163A2, 155A1]

The Indian Finance Ministry announced July 30 that India had accepted Soviet offers of an "initial" $378 million ruble credit to help finance India's 3d 5-year plan, beginning in 1961. [See pp. 203A1, 94E3; Vol. XVIII, 2C2]

## Indo-China

**Reds Attack in Laos.** Communist-led Pathet Lao guerrillas, armed by Communist North Viet Nam, were reported July 30-31 to have attacked Laotian Army posts in Samneua & Phongsaly provinces, northern Laos.

A Laotian Govt. communiqué issued in Ventiane July 30 charged that 1,000 guerrillas, "armed, equipped & stiffened" by North Viet Nam, had invaded Samneua Province a week previously. It said the attack had been made "in collusion" with some Neo Lao Haksat leaders.

Laotian reports reaching London July 31 said a 2d group of Communist guerrillas had attacked a Laotian post in Phongsaly Province on Laos' border with Communist China & North Viet Nam. The raiders were said to have killed the post commander & taken his men prisoner.

North Viet Nam's Hanoi radio claimed July 31 that 35 Laotian soldiers had been killed while making "terrorist raids" on rebel strongholds in northern Laos July 1-23. It said "American imperialists" were responsible for the new fighting.

Saigon dispatches reported Aug. 3 that Red guerrillas taken prisoner by Laotian troops carried grenades & ammunition made in Red China.

**U.S. Warning.** The U.S. State Dept. warned Aug. 1 that the U.S. viewed "with concern what may be a deliberate effort of insurgent elements, . . . backed by Communists from outside, to provoke a crisis in Laos." It charged that the fighting in Laos was part of renewed efforts by Red China & North Viet Nam "to keep Southeast Asia in turmoil."

The U.S. statement was issued after North Viet Nam had warned earlier Aug. 3 that it could not "remain indifferent" to fighting near its borders by Laotian troops & rebels.

British Foreign Secy. Selwyn Lloyd appealed to Soviet Foreign Min. Andrei A. Gromyko for Soviet efforts to end interference by North Viet Nam in Laotian affairs. Gromyko, currently attending with Lloyd the Geneva foreign ministers' conference, was reported Aug. 3 to have rejected the appeal. [See pp. 195A2, 177E2, 170E2, 163B2]

**Viet Nam Aid Scandal.** U.S. diplomatic & aid officials denied July 30 that U.S. military & economic aid to South Viet Nam had been marked by waste, inefficiency & corruption.

Testifying before a Senate Foreign Relations subcommittee, U.S. Amb.-to-Viet Nam Elbridge Durbrow rejected as "distorted" & "false" allegations contained in recent articles by Albert M. Colegrove, Scripps-Howard Newspaper Alliance staff writer, that the Viet Nam aid program had been "an outrageous scandal." Durbrow, backed by Arthur Z. Gardiner, head of the U.S. aid mission in Viet Nam, Lt. Gen. Samuel T. Williams, commander of the Viet Nam Military Assistance Advisory Group, & Deputy Dir. Leonard J. Saccio of the ICA, asserted that Viet Nam aid had achieved its objectives.

Colegrove, testifying before the subcommittee the same day, refused to retract charges that U.S. funds & equipment had been misused & apparently stolen by Viet Namese officials working with the U.S. aid program. Some of Colegrove's specific charges: (1) $8 million of $71 million in U.S. piastre funds allocated for refugee resettlement could not be accounted for; (2) Maj. Doan Van Cuu, South Viet Nam radio director, had "burned his books in the alley" & could not account for all of the $446,000 in aid funds entrusted to him; (3) "jeeps, trucks, guns, tractors, factories . . . whole radio networks" had been bought "for an infant farm-economy nation that quite admittedly lacks the know-how to use them."

Colegrove conceded that he had not mentioned his allegations in a private Saigon interview with Durbrow, but he offered to restate them & name his informants under oath before a secret subcommittee hearing.

Durbrow told a House Foreign Affairs subcommittee Aug. 3 that Colegrove's charges had provided "grist for the Communist propaganda mill" and had done much "harm to American prestige" in Viet Nam.

(A State Dept.-ICA statement issued June 15 had denied charges made the previous day by the House Govt. Operations Com. that the U.S. aid program in Laos had been hampered by bribery, mismanagement & wasteful planning. The committee report† charged that ex-Amb.-to-Viet Nam J. Graham Parsons, currently Assistant State Secretary for Far Eastern Affairs, had "abetted" the "railroading" & ouster of Haynes Miller, an MSA auditor, who was "close to discovering" evidence on the alleged bribery of Edward T. McNamara,‡ U.S. aid mission official. McNamara was charged with accepting $13,000 from officials of the Universal Construction Co. "for helping them secure lucrative contracts [in Laos] & overlooking deficiencies in their performance." State Dept. spokesman Lincoln White defended Parsons June 15 and said he had been promoted for his "superb job . . . in solving program difficulties in Laos.")

*The proclamation was subject to approval by both houses of the Indian Parlt. It was valid for 6 months, could be renewed for 6-month periods up to a maximum of 3 years.

† Written by the House Foreign Operations & Monetary Affairs Subcommittee after an inquiry conducted by Chrmn. Porter Hardy Jr. (D., Va.)

‡ McNamara had said at hearings of the Foreign Operations & Monetary Affairs Subcom. Mar. 23 that he had accepted $25,000 in cash, stocks & airline tickets from the U.S.-owned Universal Construction Co. for recommending Universal for road & construction projects worth $2½ million and then certifying that contracts had been performed without inspecting the work.

**Algeria.** First Secy. Aissat Idir of the Gen. Union of Algerian Workers died July 28 in a French military hospital in Algiers. The French AFP news agency reported Idir's death July 30 and attributed it to burns suffered in an accidental fire. But the Algerian union charged in a Tunis statement July 30 that Idir had been "frightfully tortured" while in French custody. Secy. Gen. J. H. Oldenbroeck of the Intl. Confederation of Free Trade Unions called July 30 for an inquiry into Idir's death.

(Idir, 44, was arrested in May 1956 and indicted on charges of actions against French internal security. He was acquitted by a French military tribunal Jan. 13 but held at the Bitraraia, Algeria detention center, where he reportedly suffered fatal burns while smoking in bed Jan. 17.)

French Vice Consul Jacques Rombal, stationed in Bouarfa, Morocco, & the Moslem caid of Bouarfa were kidnapped & held prisoner for 48 hours by Algerian rebels July 30 while investigating an alleged violation of the Moroccan border by French forces based in Algeria. [See p. 176D3]

**Austria.** Anti-Communist U.S. & British youths were beaten Aug. 1 when they tried to carry anti-Soviet placards in a mass parade through Vienna organized by the Communist-led 7th World Youth Festival. Willie Ruff, jazz musician, was beaten July 29 after resigning from the U.S. delegation. J. A. Ransahoff, Washington D.C. nuclear engineer, publicly rebutted Soviet Prof. Georgi Vinogradov July 30 when he disparaged U.S. nuclear power efforts at a Festival lecture. Festival guards destroyed copies of Western newspapers July 31 when anti-Communist delegates tried to distribute them at a Festival seminar on press freedom. The Festival, attended by 7,306 delegates from Soviet-bloc states & Yugoslavia, 6,375 from the U.S. & other "capitalist" states & 3,090 from Asia, Africa & Latin Amercia, ended with a mass rally in Vienna's City Hall Square Aug. 4. [See p. 241F2]

**Britain.** Printing union members ended a 7-week strike July 31 after winning new contracts providing for reduction of the work week from 43½ hours to 42 and a 4½% increase in wages ranging from £8 ($23.60) to £15 ($42) weekly. Striking ink workers ended their walkout Aug. 1 on identical terms. [See p. 219B1]

Parliament adjourned July 30 until Oct. 22 for a summer recess.

**Canada.** Maj. Gen. George Philias Vanier, 71, was appointed by Queen Elizabeth II Aug. 1 to succeed retiring Canadian Gov. Gen. Vincent Massey, 74, on Sept. 15. Vanier, whose appointment was recommended by Prime Min. Diefenbaker's cabinet, was the first French-Canadian to win the post. [See Vol. XII, p. 26K]

The queen ended her Canadian tour Aug. 1. She visited the maritime provinces July 28-31, presided at a Halifax meeting of the Canadian Cabinet Aug. 1 and reviewed Canadian fleet units before returning to London Aug. 2 with Prince Philip aboard a Comet jet airliner. [See p. 241E3]

**France.** UN Secy. Gen. Hammarskjöld arrived in Paris July 31 & met with Pres. de Gaulle, Premier Michel Debré & Defense Min. Pierre Guillaumat. Hammarskjöld was said to have warned French leaders that an Algerian resolution hostile to France might be voted by the UN Assembly. [See p. 227E1]

French imports totalled 917.3 billion francs ($1.857 billion) & exports 870.9 billion francs ($1.76 billion) in Jan.-June, Govt. reports disclosed Aug. 2. Exports were up by 31% in value & 6% in volume over Jan.-June 1958. French experts said the figures represented a trade surplus since the import totals included freight & insurance whereas the export totals were net. [See pp. 177A2, 120A1]

**French Community.** 36 followers of the rebellious anti-white Matsouanist sect were killed & 100 injured July 28 when police tried to remove 2,500 Matsouanists from a squatters' quarter of Brazzaville, Congo Republic. 7 more Matsouanists were killed & 43 injured Aug. 2 when sect members rioted & attacked Lari & Balali tribesmen loyal to Premier Fulbert Youlou. [See p. 202E3]

**Indonesia.** A 45-member Provisional Supreme Advisory Council & 77-member National Planning Council were named by Pres. Sukarno July 30 to carry out his plans for guided democracy in Indonesia under the 1945 constitution. The advisory council, headed by Sukarno, included Communist Party Secy. Gen. Dipa N. Aidit & leaders of 8 other parties but no representatives of the opposition Moslem Masjumi Party. Ex-Foreign Min. Ruslan Abdulgani was named advisory council vice chairman, and Social & Cultural Affairs Min. Mohammed Yamin was appointed planning council chairman. [See pp. 242F1, 218E1]

A $17½ million Soviet credit agreement was signed in Jakarta July 28 by Soviet officials & Foreign Min. Subandrio. Subandrio disclosed July 29 that Indonesia was seeking a $200-$300 million U.S. development loan to build a hydroelectric complex on the Asahan River in northern Sumatra. [See p. 187F1]

**Korea.** Cho Bong Am, 60, twice-defeated presidential candidate of the opposition Progressive Party, was hanged in Seoul July 31 for violating security laws & aiding North Korea's Communist regime. Yang Myungsan, Cho's alleged accomplice, was hanged July 29. [See p. 70F3]

**Morocco.** A Moroccan-U.S. agreement reported Aug. 2 by the N.Y. Times provided for Moroccan Govt. control of 5,000 Moroccan employes working on U.S. air bases in Morocco. The agreement, negotiated by Mohammed M'jid of Morocco & John P. Condon, U.S. Air Force labor negotiator, made the Moroccan Govt. employer of all local labor on the bases and provided for U.S. payment of an estimated 4.8 billion-Moroccan-franc ($11,428,500) annual local payroll directly to the Moroccan treasury. The agreement was the first to accord any legal status to the U.S. air base system in Morocco. [See p. 170G3]

King Mohammed V curtailed a visit to Paris & left for Morocco Aug. 2 without holding planned talks with French Pres. de Gaulle. He returned to Morocco Aug. 4, reportedly to deal with a disagreement between Premier Abdullah Ibrahim & Prince Moulay Hassan over policy toward French violations of the Moroccan-Algerian border & Morocco's position within the franc zone. [See p. 228D2]

**South Africa.** Capetown Anglican Bishop Joost de Blank, an opponent of the Govt.'s racial policies, offered July 22 to resign & return to the Netherlands if Prime Min. Verwoerd "will withdraw . . . & return to his native land [also Holland]."

South African treatment of Africans in mandated South West Africa was denounced as "inhuman" July 27 by a UN committee responsible for following South West African conditions. [See Vol. XVIII, p. 424C2]

**Soviet Union.** A world altitude record for aircraft of 94,333 feet was claimed by the USSR July 23. The Soviet Embassy in Washington said that the record had been set July 14 by Soviet AF Maj. V. S. Ilyushin in a T-431 single-jet plane. Data on the T-431 flight & on a Soviet claim of a 66,584-foot altitude record for an aircraft carrying a one-ton cargo were said to have been forwarded to the Intl. Aeronautical Federation. [See Vol. XVIII, p. 157B1]

The forcible Soviet Govt. closure of the great synagogue of Chernovsty, in the Ukraine, was reported by the N. Y. Herald Tribune July 26. The synagogue reportedly was closed on grounds that it had been used for "non-religious & illegal purposes." [See p. 213G2]

**Nyasaland.** A British Govt.-appointed Commission of Inquiry on recent unrest in Nyasaland rejected July 23 charges that African nationalist leaders had plotted a massacre of Nyasaland officials & white settlers.

The commission, headed by Sir Patrick Devlin, a High Court Justice, said in a White Paper that it had found no evidence for Colonial Secy. Alan T. Lennox-Boyd's charges that African leaders had plotted the massacre in a Jan. 25 meeting. It conceded, however, that African leaders had avowed a policy of "violent action" against Nyasaland Govt. actions.

The White Paper rejected British Govt. contentions that "nationalist aspirations" were limited to "a small minority of political Africans, mainly self-seekers." It charged that "Nyasaland is—no doubt only temporarily—a police state, where it is not safe for anyone to express approval of the . . . [African National] Congress party, to which . . . the vast majority of politically-minded Africans belonged," or "to express any but the most restrained criticism of [Nyasaland] Govt. policy."

A Govt. resolution accepting parts of the Nyasaland report but omitting sections critical of British African policy was approved by Parlt. July 28 by a vote of 316 to 252.

Nyasaland Gov. Sir Robert Armitage denied in an accompanying White Paper that the term "police state"

was "a correct description of conditions in Nyasaland." [See pp. 139D3, 103E2, 93F3, 85D2, 77F3, 66E3, 54E3, 46F1]

**West Germany.** Status of forces accords governing the stationing of NATO troops in West Germany were signed by the West German Govt. Aug. 3 with the U.S., Britain, France, Belgium, Canada & the Netherlands. The agreements, subject to ratification by parliaments of the signatory countries, granted West German courts jurisdiction over NATO personnel charged with non-military crimes and diminished special privileges retained by Allied servicemen when the postwar occupation of Germany ended in 1955. [See p. 91A3]

## LATIN AMERICA

**Dominican Republic.** Brig. Gen. José René Roman Fernandes replaced Brig. Gen. Maximo Bonetti Burgos as Army chief of staff July 17. Tad Szulc reported in the N.Y. Times July 18 that Bonetti might have been replaced because he had failed to act with "sufficient determination" against rebels in the unsuccessful June 14 invasion and possibly had thoughts of taking over the government. [See p. 235F1]

Szulc had reported in a July 10 dispatch from Ciudad Trujillo (published in the N.Y. Times July 12) that the Trujillo regime was threatened by public revulsion against widespread corruption. Szulc had based his report partly on information given him by Labor Min. Ramon Marrero Aristy, who also was government press coordinator. But Marrero officially denied the corruption charges in Washington July 13 and, after being recalled to Ciudad Trujillo, phoned Szulc (then in Havana) to warn him to stay away from the Dominican Republic "until the storm blows over." Szulc returned to Ciudad Trujillo, where Bonetti charged him July 19 with defamation & slander. With the intervention of the U.S. Embassy, he was permitted to leave the country for Miami later July 19 but was warned that he would be tried on Bonetti's charges if he returned.

It was reported July 19 from Miami that Marrero & his chauffer had been killed July 17 in an auto accident on a mountain highway between Constanza & Monsenor Nouel.

**Nicaragua.** An Org. of American States committee report made public in Washington July 27 disclosed that an Argentine physician, Cuban Army Maj. Ernesto (Che) Guevara, a close associate of Cuban Premier Fidel Castro, had helped in the abortive June invasion of Nicaragua. The report, based on papers taken by the Honduran Govt. from rebels who had tried June 24 to pass through Honduras on their way to Nicaragua, said Guevara had contributed $2,400 to the revolt and had urged Cuban authorities to give the rebels "all forms of cooperation & help." The OAS report included an assertion by a would-be invader that Castro's government opposed such ventures. Nicaraguan charges that 3 more invasions were in preparation, the committee reported, were unsubstantiated.

7 persons were killed & 32 wounded in Leon (50 miles northwest of Managua) July 23 in a clash between students & troops that broke out for no reported reason. A government communiqué said students had attacked the garrison barracks 3 times. After a mass for those killed, another riot broke out July 27 in Leon as mobs attacked National Guardsmen & stoned buildings. [See p. 235D1]

## ECONOMY

**Output Exceeded Index.** The U.S.' postwar industrial output increased about 1/5 faster than indicated by the Federal Reserve Board's industrial production index, FRB Chrmn. William McChesney Martin Jr. estimated in testimony July 27 before the Congressional Joint Economic Committee. He said the index was being revised to incorporate gains that had not been detected when they occurred.

Estimating on the basis of the revision, Martin said mid-June production was about 165% of the 1947-49 average instead of the 155% reported. He predicted that the revision would show that the industrial production of consumer goods was growing at an average annual rate of 3.8% rather than the 3.2% previously reported. This compared with a population growth of 1.7%. [See pp. 243F1, 193A2]

(The UN's 1958 World Economic Survey, released May 25, reported that Communist countries' economies were growing at a faster rate than those of the free world. A major reason: Communist nations were building from a lower level. While Western nations had built excess capacity that caused the 1957-58 recession, the survey said, Communist capacity remained far below demand although it had been expanded "at very high rates" throughout the recession. According to the survey, the average gross industrial production of all Communist nations grew by 136% between 1950 & 1957 whereas that of the non-Communist world went up 58% between 1948 & 1957. During these same periods, Communist agricultural output rose by 44%, non-Communist by 23%. The greatest growth rate was in Red China, where industrial output increased by 276%, farm output by 59% and mining by 226% between 1950 & 1957. Russian increases in this period were industrial 125%, farm 38%, mining 95%. [See pp. 242F-G2, 234F2, 218F1-E2]

**Agriculture.** The value of U.S. farm assets rose from $186 billion Dec. 31, 1957 to a record $203 billion Dec. 31, 1958, the Federal Reserve Board reported July 30. Farm debts increased from a $20.2 billion total to $23.3 billion in the same period, and the value of farm land & buildings rose from $116 billion to $125 billion. [See Vol. XVII, p. 351E2]

The percentage of people engaged in farm work declined in many countries between 1942 & 1957, according to the 1958 production yearbook of the UN Food & Agriculture Organization, made public July 6. Percentages dropped from 19% to 12% in the U.S., from 26% to 13% in Canada, from 57% to 46% in Finland, from 48% to 31% in Italy, from 35% to 26% in Norway, from 64% to 57% in Poland, from 33% to 20% in Sweden & from 78% to 67% in Yugoslavia. There was no change in Hungary's 53%. The report confirmed a major trend toward farm mechanization. Between 1949 & 1957 the number of tractors increased from 17,000 to 79,000 in Austria, from 22,000 to 77,000 in Denmark, from 148,000 to 477,500 in France, from 17,000 to 615,000 in West Germany, from 14,000 to 26,000 in Hungary, from 64,000 to 188,000 in Italy, from 30,000 to 56,000 in Poland & from 6,300 to 20,500 in Yugoslavia.

**Advertising.** The total cost of advertising in the U.S. dropped from $10,310,600,000 in 1957 to $10,301,800,000 in 1958, according to an estimate prepared under the direction of Robert J. Coen of McCann-Erickson, Inc. for the July 31 edition of Printers' Ink. Estimated volume for the various media (in millions):

| | 1958 | 1957 |
|---|---|---|
| Newspapers (total) | $3,192.8 | $3,283.3 |
| National | 768.7 | 809.7 |
| Local | 2,424.1 | 2,473.6 |
| Magazines (total) | 766.8 | 814.3 |
| Television (total) | 1,354.2 | 1,265.3 |
| Network | 709.1 | 670.1 |
| Radio (total) | 615.7 | 617.9 |
| Network | 57.9 | 63.5 |
| Total farm publications* | 67.4 | 71.3 |
| Direct mail | 1,588.6 | 1,470.9 |
| Business papers | 540.0 | 576.6 |
| Outdoor (total) | 191.7 | 199.1 |
| Miscellaneous | 2,017.8 | 2,058.5 |
| **Total national** | 6,331.0 | 6,253.2 |
| **Total local** | 3,970.8 | 4,057.4 |

*Includes advertising directed to farm markets through media listed elsewhere in this table.

**Foreign Trade.** U.S. imports rose to a record $1,369,400,000 in June, bringing the total for 1959's first half to $7,423,000,000, the Commerce Department reported Aug. 3. Non-military exports rose to $1.331 billion in June. [See p. 243G1]

The Soviet Union, with an $8,319,325,000 volume of foreign trade in 1957, was the 6th largest trading nation, according to a Commerce Dept. summary of official Soviet trade figures made public Apr. 17. The U.S. ranked highest, Britain 2d, West Germany 3d, Canada 4th & France 5th. Soviet imports were listed at $3,937,825,000 & exports at $4,381,500,000 in 1957, when 74% of Soviet exports went to other Soviet-bloc countries and 70% of imports came from those countries. [See p. 121A1]

A UN statistical report published July 9 showed an increase of 4% since 1953 in prices of goods exported by industrial countries and a decrease of about 7% in prices of goods exported by raw material-producing countries. There was a consequent impairment of the latter group's ability to pay for equipment bought abroad. Countries hurt most were Australia, New Zealand, the Federation of Rhodesia & Nyasaland & the Union of South Africa, with a 26% drop in the average terms of trade (terms of trade =export prices divided by import prices). Terms of trade declines amounted to 12% in Latin America

& 10% in Far Eastern countries with the exception of Japan, where the terms of trade improved 6%. Other areas where the terms of trade improved were the U.S., with a 6% rise, Great Britain 11% & continental Western Europe 3%.

## OBITUARIES

**Dr. Moacyr E. Alvaro,** 59, Brazilian ophthalmologist, founder & ex-pres. of Pan American Assn. of Ophthalmology; July 19 in São Paulo, Brazil of cerebral hemorrhage.

**Narciso Bassols,** 62, founder & leader of Mexico's leftist Popular Party, ex-amb. to London, Paris, Moscow & Madrid, Finance Min. during Cardenas regime; July 25 of fractured skull in fall from bicycle.

**Michael Late Benedum,** 90, multimillionaire oil wildcatter who opened fields in Illinois, Caddo fields in northern Louisiana, Yates field in Texas and aided in developing Texas offshore area & Ploesti oil fields in Rumania, founder of Plymouth Oil Co. & Transcontinental Oil Co.; July 30 in Pittsburgh.

**Sir Harold Alfred Maurice Campbell,** 66, editor of Melbourne Age, director of Australian Associated Press, ex-director of Reuters News Agency, member of Australian UN delegation in 1945; July 31 in Melbourne.

**Dr. Michael Moses Coady,** 77, Canadian Roman Catholic prelate, ex-head of St. Francis Xavier U. (Antigonish, Nova Scotia) extension department, founder of Antigonish farming & fishing cooperatives (Xaverian or Antigonish movement) in 1928 to combat depression; July 28 in Antigonish of cancer.

**Edward J. Daly,** 67, Conn. Supreme Court chief justice since 1958, judge at Nuremberg war crimes trials; July 20 in Hartford, Conn. of lung cancer.

**Baroness Eva B. Gebhard Gourgaud,** U.S.-born widow of French explorer Baron Napoléon Gourgaud (descendent of Napoléon's aide-de-camp), founder of 2 French museums (Musée Gourgaud, containing relics of Napoléon, & Musée Africain, both on Aix island), member Legion of Honor (1953), philanthropist; July 14 in Yerres, France.

**Dr. Edmund Newton Harvey,** 71, Princeton U. biology prof. emeritus, researcher in bioluminescence; July 21 in Woods Hole, Mass.

**Frank T. Heffelfinger,** 89, chrmn. F. H. Peavey grain-handling firm (pres. 1907-45), financier; July 11 in Minneapolis of heart ailment.

**Charles H. Huff,** 71, writer under name Drexel Duke of "Falcon" mystery series, ex-financial analyst; July 15 in Yonkers, N.Y.

**Harold Duane Jacobs,** 69, a founder (1922) & editor (1922-29) of Baltimore Post, ex-U.S. Labor Dept. aide; July 21 in Baltimore.

**Dr. Eduardo Laurencena,** 73, ex-pres. of Central Bank of Argentina, Entre Rios Province governor 1926-30; July 19 in Parana, Brazil.

**Eugene Meyer,** 83, chrmn. of Washington Post & Times Herald (he had bought the Post in 1933 & later merged it with the Times Herald, which he bought in 1954), financier & banker, director of World War I War Finance Corp., Federal Reserve Board member 1930-33, an organizer of RFC in 1932, first pres. Intl. Bank for Reconstruction & Development (1946); July 17 in Washington. [See Vol. XIV, p. 219C1]

**Dr. Russell Harrison Varian,** 61, co-inventor with his brother Sigurd of klystron tube, inventor of other electronic devices, founder in 1948 & chrmn. of Varian Associates; July 28 aboard cruise ship near Juneau, Alaska, of heart attack.

## MISCELLANEOUS

**Apalachin Trio Freed.** Paul C. Castellano, 45, & Joseph Riccobono, 65, participants in the 1957 Apalachin, N.Y. "crime convention," were released from jail in New York July 30 after N.Y. Supreme Court Justice Frederick Backer ruled that they had given "responsive"—if not necessarily true—answers to State Investigation Comm. questions about their presence in Apalachin. Carmine Lombaradozzi, 45, remained imprisoned on Backer's ruling July 30 that his answers were "palpably false" & evasive. The state Court of Appeals in Albany July 8 upheld the freeing of Frank J. Valenti for giving sufficient answers but ruled that his brother, Costanze P. Valenti, must remain in jail for failing to give satisfactory answers. (Frank Cucchiara, 62, sought since May 21, when he was indicted with 22 other Apalachin delegates, surrendered June 4 in New York.) [See p. 180F1]

**Accident death** rate in the U.S. was 52.5 persons per 100,000 in 1958 (total fatal mishaps: 91,000), the Natl. Safety Council reported July 29. The rate was lowest since 1954. 37,000 were auto accident deaths (bringing the all-time U.S. death toll in auto accidents up to 1,265,000). 9 million others suffered disabling injuries from 1958 accidents. [See Vol. XVIII, p. 52B3]

**Lowell McAfee Birrell,** 52, N.Y. atty., ex-pres. of the Swan Finch Oil Corp. & ex-chrmn. of Doeskin Products, was arrested in Rio de Janeiro July 23 for deportation at the request of N.Y. police. He had been indicted by a N.Y. County grand jury July 7 on charges of defrauding stockholders of about $14 million. He was accused of netting $3 million through stock manipulations. In the absence of an extradition treaty, Brazilian police held Birrell for expulsion on the ground that he had used false documents in entering Brazil from Cuba July 17. [See Vol. XVIII, p. 76D2]

**Harry Gross,** 46, ex-New York bookmaker, was arraigned in Los Angeles July 29 on a murder complaint in the death July 28 of his wife's grandfather, Harry Black, 81. At a hospital bedside hearing July 10, Black had accused Gross of kicking & slugging him in a quarrel June 27 over $2,000 he had lent Gross for bail fees. According to an autopsy report, a bullet wound Black had suffered in the chest during the fray had contributed to his death. [See Vol. XVIII, p. 420B3]

**Dominick (Mimi) Scialo,** 32, one of the FBI's "10 most wanted" criminals, surrendered in Brooklyn July 27 on a murder charge. He & 3 others had been indicted for the slaying of hoodlum Alexander Menditto, 17, who had been found shot in a Brooklyn gutter Mar. 16, 1958 & who died Mar. 25. Before dying, Menditto had accused the 4 subsequently indicted men of taking himself & a friend, Bartholomew (Buggsy) Garofalo, 25, for "a ride" for refusing to return $500 they had received to burn down a Framingham, Mass. dance pavilion. They had botched the job. Garofalo's bullet-riddled body was found in Brooklyn Mar. 18, 1958. Thomas Caizzo, 30, & Louis Esposito, 25, 2 of those indicted, had been arrested but released for lack of evidence. Angelo Pero, 53, the 4th of those indicted, was at large.

### LEADING JULY FILMS

**New York Releases**

**Anatomy of a Murder.** Court trial of Army lieutenant accused of murdering man who allegedly raped his wife. Screenplay by Wendell Mayes. Based on Robt. Traver's novel. Produced by Otto Preminger for Columbia Pictures. With Jas. Stewart, Lee Remick, Ben Gazzara, Arthur O'Connell, Jos. N. Welch, Eve Arden, Geo. C. Scott, Orson Bean. July 2.

**The Big Circus.** Insolvent traveling circus beset by bad luck. Screenplay by Irving Allen, Chas. Bennett & Irving Wallace. Directed by Jos. Newman. Produced by Allen for Allied Artists. With Victor Mature, Red Buttons, Rhonda Fleming, Kathryn Grant, Vincent Price, Peter Lorre, Gilbert Roland. July 17.

**Blue Denim.** Teen-age love affair results in pregnancy. Screenplay by Edith Somer & Philip Dunne. Based on play by Jas. Leo Herlihy & Wm. Noble. Directed by Dunne. Produced by Chas. Brackett for 20th Century Fox. With Carol Lynley, Brandon de Wilde, MacDonald Carey, Marsha Hunt, Warren Berlinger. July 30.

**Grisbi.** French-language melodrama starring Jean Gabin. About rival gangs & hidden loot. Scenario by Jacques Becker, Albert Simonini & Maurice Griffe. Directed by Becker. Produced by Robt. Dorfman for United Motion Pictures Org. With Rene Dary, Paul Frankeur, Lino Ventura, Vittorio Sangoli. July 12.

**A Hole in the Head.** Frank Sinatra as softhearted chiseler trying to hold on to his motherless son. Screenplay by Arnold Schulman based on his own play. Produced & directed by Frank Capra for United Artists. With Edw. G. Robinson, Eddie Hodges, Eleanor Parker, Carolyn Jones, Thelma Ritter, Keenan Wynn. July 15.

**Lady Chatterley's Lover.** About English woman who has love affair with her crippled husband's gamekeeper. Screenplay & direction by Marc Allegret. Based on D. H. Lawrence's novel. Produced by Gilbert Cohn-Seal for Kingsley Intl. Pictures. With Danielle Darrieux, Erno Crisa, Leo Genn, Berthe Tissen, Janine Crispin. July 10. (The U.S. Supreme Court had ruled unanimously June 29 that a 2-year-old N.Y. state ban on the exhibition of the film violated the First Amendment's "basic guarantee . . . of freedom to advocate ideas." Justice Potter Stewart's opinion held that the state unconstitutionally barred the film because "it advocates an idea—that adultery under certain circumstances may be proper behavior." In a 6-3 decision [Justices John Harlan, Felix Frankfurter & Charles E. Whittaker dissenting], the court simultaneously invalidated the section of the N.Y. film-licensing law that banned films that showed "acts of sexual immorality, perversion or lewdness" as "desirable, acceptable or proper . . . behavior.") [See p. 233B1]

**Last Train From Gun Hill.** Kirk Douglas as Western marshal who enters hostile town to avenge rape-murder of his wife. Screenplay by James Poe. Directed by John Sturges. Produced by Hal Wallis for Paramount. With Anthony Quinn, Carolyn Jones, Earl Holliman, Brad Dexter, Ziva Rodann. July 29.

**3 Men in a Boat.** English comedy about Thames boating trip. Screenplay by Hubert Gregg & Vernon Harris. Based on Jerome K. Jerome's novel. Directed by Ken Annakin for Remus Films. With Laurence Harvey, Jimmy Edwards, David Tomlinson, Shirley Eaton, Jill Ireland, Martita Hunt. July 28.